NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers BII (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE

(No Surface Use)
CHIS LEASE AGREEMENT to made this 9th day of July
Contrid a. Bounton a married remon not loined by spouse
whose address is 10504 NUNDING CECAR LONE OPT 304 FredrickSburg virginite a 3 407 as Lessor, and, DALE PROPERTY SERVICES, LL.C., 2100 Ross Avenue, Suite 1970 Dallas Toxas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabened as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.  1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called loased premises:
OUT OF THE LABOURE OF LESS, BEING LOT(S) 19 , BLOCK 16 ADDITION, AN ADDITION TO THE CITY OF
OUT OF THE LABELIEU  ADDITION, AN ADDITION TO THE CITY OF FOR LOOP TO THAT CERTAIN PLAT RECORDED IN VOLUME 301, PAGE 5 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.
In the County of Tarrant, state of TEXAS, containing
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of FOUT (
Otherwise maintained in effect pursuant to the provisions hereof.  3. Royalites on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be TOSHU-FIOE PERCENT (A) %) of such production, to be delivered at Lessee's option to Lessor's tribe wellhead in to Lessor's credit at the oil purchaser's transpondition facilities, provided that Lossee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and pravity; (b) for gas (including cesting head gas) and all other substances covered hereby, the royalty shall be TOSHU-FIOE PERCENT (a) %) of the proceeds realized by Lessee from the sele thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of sinitar quality in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the lossed premises or lands pooled therewith are capable of either producting oil or gas or other substances covered hereby in paying quantities or such wells are well on the lossed premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are shull-in or production there from is not
4. All shut-in royally payments under this lease shall be paid or tendered to Lessor's credit in at lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments repertless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by defat and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution as depository agent to reduce to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lesson a proper recordable instrument naming another institution as depository agent to receive payments.  5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinater called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise heigh maintained in force if Lessee commences operations for rewinding an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production thereform, this leases shall remain in force so long as any one or more of such operations are prosecuted with no cessation of machine from the leased premises or lands pooled therewith. After completion of a
G. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest (torein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this tease, either before or after the commercement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit of the production of the product

unit formed by such pooling for an oil well which is not a horizontal compelion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal compelion shall not exceed 60 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal compelion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oif well in which the horizontal component of the gross completion interval in facilities or equivalent testing component thereof. In exercising its pooling rights hereundor, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production which the net acreage covered by this lease and included in the unit boars to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written de

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalities and shut-in royalities payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises

7. If Lessor owns less than the full mineral estate in all or any part of the lessed premises, the royalles and shut-in royalles payable hereauth and immeral estate in the lessed the members in the full mineral estate in the lessed the results of the control of

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's

Cypthia A. Boyston	By:
STATE OF USCATA	ACKNOWLEDGMENT
This instrument was acknowledged before me on the	9 +4 day of Jaly , 2008,
by:	Hotery Public, State of Dictiving Notery's name (printed): Notery's commission expires: 12/31/08
STATE OF COUNTY OF This instrument was acknowledged before me on the by:	2000

Notary's name (printed): Notary's commis



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

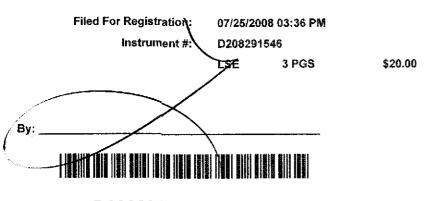
**DALLAS** 

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>



D208291546

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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